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Consolidated Financial Results For the Second Quarter of Fiscal Year Ending March 31, 2025 [Japanese GAAP]



October 31, 2024

Company name: Sanoyas Holdings Corporation

Stock exchange listing: Tokyo Stock Exchange

Code number: 7022

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Scheduled date of filing quarterly securities report: November 8, 2024

Scheduled date of commencing dividend payments: –

Availability of supplementary briefing material on annual financial results: Available (Only in Japanese)

Schedule of quarterly financial results briefing session: No (for investment analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2025 (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Profit (loss) attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2024	10,242	23.0	(270)	–	(283)	–	(218)	–
September 30, 2023	8,326	4.6	(877)	–	(788)	–	(812)	–

(Note) Comprehensive income: Second Quarter of fiscal year ended March 31, 2025: ¥(210) million [–%]

Second Quarter of fiscal year ended March 31, 2024: ¥(328) million [–%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	(6.57)	–
September 30, 2023	(24.23)	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
September 30, 2024	28,305	8,641	30.3
March 31, 2024	27,249	9,137	33.3

(Reference) Equity: As of September 30, 2024: ¥8,581 million

As of March 31, 2024: ¥9,078 million

(Note)“Accounting Standard for Current Income Tax” and other standards and guidance have been applied from the beginning of the First Quarter of Fiscal Year Ending March 31. This change in accounting policy is applied retrospectively, and consolidated financial statements for the previous year are after retrospective application.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2024	Yen —	Yen 0.00	Yen —	Yen 5.00	Yen 5.00
Fiscal year ending March 31, 2025	—	0.00			
Fiscal year ending March 31, 2025 (Forecast)			—	5.00	5.00

(Note) Revision to recently disclosed projected cash dividends: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Profit (loss) attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	24,000	2.8	200	(60.8)	300	(52.8)	300	(34.7)	9.03

(Note) Revision to recently disclosed projected consolidated financial results: Yes

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
 - September 30, 2024: 33,814,782 shares
 - March 31, 2024: 33,814,782 shares
 - 2) Total number of treasury shares at the end of the period:
 - September 30, 2024: 615,473 shares
 - March 31, 2024: 47,248 shares
 - 3) Average number of shares during the period:
 - Six months ended September 30, 2024: 33,210,275 shares
 - Six months ended September 30, 2023: 33,546,089 shares

* These consolidated financial results are outside the scope of audit

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions deemed reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

2. Quarterly Consolidated Financial Statements [Japanese GAAP]
(1) Quarterly Consolidated Balance Sheets [Japanese GAAP]

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	1,626	3,817
Notes receivable - trade	275	225
Accounts receivable - trade	4,766	2,576
Contract assets	744	1,375
Electronically recorded monetary claims - operating	1,272	925
Merchandise and finished goods	266	257
Work in process	1,491	2,272
Raw materials and supplies	1,290	1,281
Other	726	760
Allowance for doubtful accounts	(14)	(11)
Total current assets	12,446	13,480
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,144	3,082
Machinery and equipment, net	1,797	1,667
Land	2,831	2,831
Other, net	386	491
Total property, plant and equipment	8,159	8,073
Intangible assets		
Software	509	533
Goodwill	589	544
Other	17	17
Total intangible assets	1,116	1,095
Investments and other assets		
Investment securities	4,777	4,757
Deferred tax assets	200	363
Net defined benefit asset	301	295
Other	250	242
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	5,526	5,656
Total non-current assets	14,803	14,825
Total assets	27,249	28,305

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,840	1,617
Electronically recorded obligations - operating	2,468	1,826
Short-term loans payable	3,650	5,450
Current portion of long-term loans payable	1,432	1,534
Income taxes payable	212	36
Contract liabilities	595	761
Provision for bonuses	383	406
Provision for construction warranties	127	134
Provision for loss on construction contracts	50	28
Lease obligations	229	219
Other	1,035	731
Total current liabilities	12,025	12,748
Non-current liabilities		
Long-term loans payable	2,432	3,267
Lease obligations	356	256
Deferred tax liabilities	1,213	1,277
Net defined benefit liability	1,784	1,814
Asset retirement obligations	294	294
Other	4	6
Total non-current liabilities	6,085	6,915
Total liabilities	18,111	19,663
Net assets		
Shareholders' equity		
Capital stock	2,628	60
Capital surplus	46	2,615
Retained earnings	3,974	3,592
Treasury shares	(9)	(126)
Total shareholders' equity	6,640	6,141
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,269	2,237
Deferred gains or losses on hedges	12	6
Foreign currency translation adjustment	79	131
Remeasurements of defined benefit plans	75	64
Total accumulated other comprehensive income	2,437	2,440
Share acquisition right	59	59
Total net assets	9,137	8,641
Total liabilities and net assets	27,249	28,305

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
[Japanese GAAP]

Quarterly Consolidated Statements of Income [Japanese GAAP]

(Million yen)

	Six Months ended September 30, 2023	Six Months ended September 30, 2024
Net sales	8,326	10,242
Cost of sales	6,765	7,832
Gross profit	1,560	2,410
Selling, general and administrative expenses	2,438	2,681
Operating loss	(877)	(270)
Non-operating income		
Interest income	2	3
Dividend income	126	77
Other	18	9
Total non-operating income	146	90
Non-operating expenses		
Interest expenses	50	53
Foreign exchange losses	1	44
Other	6	5
Total non-operating expenses	57	103
Ordinary loss	(788)	(283)
Extraordinary income		
Gain on sales of noncurrent assets	1	0
Gain on sales of investment securities	0	—
Total gain extraordinary income	2	0
Loss before income taxes	(786)	(282)
Income taxes – current	35	28
Income taxes – deferred	(9)	(93)
Total income taxes	25	(64)
Loss	(812)	(218)
Loss attributable to owners of parent	(812)	(218)

Quarterly Consolidated Statements of Comprehensive Income [Japanese GAAP]

(Million yen)

	Six Months ended September 30, 2023 3	Six Months ended September 30, 2024
Loss	(812)	(218)
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	483	(27)
Deferred gain (loss) on hedges	6	(5)
Foreign currency translation adjustment	17	51
Remeasurements of defined benefit plans, net of tax	(23)	(10)
Total other comprehensive income (loss)	484	7
Comprehensive income	(328)	(210)
Comprehensive income (loss) attributable to		
Owners of the parent	(328)	(210)
Non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows [Japanese GAAP]

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Loss before income taxes	(786)	(282)
Depreciation	354	385
Amortization of goodwill	44	44
Increase (decrease) in net defined benefit liability	56	29
Increase (decrease) in allowance for doubtful accounts	(3)	(3)
Increase (decrease) in provision for bonuses	13	22
Increase (decrease) in provision for construction warranties	23	7
Increase (decrease) in provision for loss on construction contracts	36	(22)
Interest and dividend income	(128)	(80)
Interest expenses	50	53
Loss (gain) on sales of noncurrent assets	(1)	(0)
Loss (gain) on sales of investment securities	(0)	—
Decrease (increase) in notes and accounts receivable - trade	2,151	1,966
Decrease (increase) in inventories	(1,494)	(752)
Decrease (increase) in advance payments	(9)	13
Increase (decrease) in notes and accounts payable - trade	230	(799)
Increase (decrease) in contract liabilities	364	192
Decrease (increase) in consumption taxes refund receivable	(81)	—
Increase (decrease) in accrued consumption taxes	—	(240)
Other, net	(88)	(87)
Subtotal	730	446
Interest and dividend income received	128	80
Interest expenses paid	(50)	(52)
Income taxes (paid) refund	368	(185)
Net cash provided by (used in) operating activities	1,176	289

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from investing activities		
Payments into time deposits	(60)	(42)
Proceeds from withdrawal of time deposits	60	42
Purchase of property, plant and equipment	(417)	(330)
Proceeds from sales of property plant and equipment	3	1
Purchase of intangible assets	(82)	(99)
Purchase of investment securities	(11)	(9)
Proceeds from sales of investment securities	0	—
Other, net	(7)	(15)
Net cash provided by (used in) investing activities	(514)	(454)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,200	1,800
Proceeds from long-term loans payable	700	1,800
Repayments of long-term loans payable	(1,645)	(863)
Purchase of treasury stock	(0)	(149)
Cash dividends paid	(167)	(168)
Repayments of lease obligations	(99)	(116)
Other net	0	—
Net cash provided by (used in) financing activities	1,987	2,301
Effect of exchange rate change on cash and cash equivalents	12	54
Net increase (decrease) in cash and cash equivalents	2,661	2,190
Cash and cash equivalents at beginning of period	1,329	1,566
Cash and cash equivalents at end of period	3,990	3,757

(Segment Information)

I Six months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

Information concerning Net sales and Operating profit or loss by Reportable business segment

(Million yen)

	Reportable segment			Total	Adjustments (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Machinery / Equipment & Services for Manufacturing Industry	Machinery / Equipment & Services for Construction Industry	Leisure business			
Net sales						
Goods transferred at a point in time	3,080	2,148	1,228	6,457	—	6,457
Goods transferred over time	220	1,491	155	1,868	—	1,868
Revenue from contracts with customers	3,301	3,639	1,384	8,326	—	8,326
External sales	3,301	3,639	1,384	8,326	—	8,326
Internal sales or transfers	—	—	—	—	—	—
Total	3,301	3,639	1,384	8,326	—	8,326
Segment profit (loss)	(90)	(291)	249	(132)	(745)	(877)

(Note 1) Details of “Adjustments” are as follows:

Adjustments for the segment profit (loss) of ¥(754) million include corporate cost of ¥(754) million not allocated to each reportable segment, allowance for doubtful accounts of ¥0 million and elimination of inter-segment transaction of ¥8million.

Corporate cost consists of general and administrative expenses which do not belong to the reporting segment.

(Note 2) Segment loss is adjusted with operating loss recorded in the quarterly consolidated statements of income.

II Six months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

Information concerning Net sales and Operating profit or loss by Reportable business segment

(Million yen)

	Reportable segment			Total	Adjustments (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Machinery / Equipment & Services for Manufacturing Industry	Machinery / Equipment & Services for Construction Industry	Leisure business			
Net sales						
Goods transferred at a point in time	3,728	2,868	1,189	7,786	—	7,786
Goods transferred over time	301	1,473	681	2,455	—	2,455
Revenue from contracts with customers	4,029	4,342	1,871	10,242	—	10,242
External sales	4,029	4,342	1,871	10,242	—	10,242
Internal sales or transfers	—	—	—	—	—	—
Total	4,029	4,342	1,871	10,242	—	10,242
Segment profit (loss)	214	159	191	565	(836)	(270)

(Note 1) Details of “Adjustments” are as follows:

Adjustments for the segment profit (loss) of ¥(836) million include corporate cost of ¥(846) million not allocated to each reportable segment, allowance for doubtful accounts of ¥0 million and elimination of inter-segment transaction of ¥9million.

Corporate cost consists of general and administrative expenses which do not belong to the reporting segment.

(Note 2) Segment loss is adjusted with operating loss recorded in the quarterly consolidated statements of income.